



General Assembly

**Substitute Bill No. 363**

February Session, 2026



**AN ACT ALLOWING MUNICIPALITIES TO IMPOSE COMMERCIAL VACANCY ASSESSMENTS IN CERTAIN DISTRICTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2026, and applicable to assessment*  
2 *years commencing on or after October 1, 2026*) (a) As used in this section:

3 (1) "Active renovation" means construction or repair work lasting not  
4 less than ninety consecutive days and undertaken pursuant to an  
5 approved building permit;

6 (2) "Municipality" has the same meaning as provided in section 7-148  
7 of the general statutes; and

8 (3) "Vacant" means not occupied or actively used for greater than one  
9 hundred eighty days, consecutive or nonconsecutive, in an assessment  
10 year.

11 (b) Any municipality may, by vote of its legislative body, or, in a  
12 municipality where the legislative body is a town meeting, its board of  
13 selectmen, adopt an ordinance imposing an assessment on any real  
14 property that is (1) vacant, (2) located in a zone that allows for  
15 commercial use and not used for any residential purpose, (3) located at  
16 ground level, if such real property is part of a building or structure  
17 containing two or more levels, and (4) located in a defined area adopted

18 by the municipality in which such assessment is applicable. Such  
19 assessment shall be at a rate determined by the municipality, provided  
20 such rate does not exceed five dollars per square foot for any assessment  
21 year during which such property remains vacant.

22 (c) Notwithstanding the provisions of subsection (b) of this section,  
23 no assessment shall be imposed on real property pursuant to this section  
24 if:

25 (1) The owner of such real property is engaged in active renovation  
26 of the property, or a permit application concerning such property is  
27 pending;

28 (2) The owner identifies specific legal or regulatory barriers,  
29 including pending litigation, environmental reviews or permitting  
30 delays that have prevented occupancy or use of the real property during  
31 the preceding assessment year; or

32 (3) Such real property has been impacted by a natural disaster, or is  
33 deemed uninhabitable by state or local authorities.

34 (d) If a municipality adopts an ordinance imposing an assessment on  
35 vacant real property pursuant to this section, such municipality shall  
36 specify the form and manner of application for any owner of such  
37 property to claim an exemption from such assessment pursuant to  
38 subsection (c) of this section.

39 (e) Any assessment on real property pursuant to this section shall be  
40 due and payable on the same date as real property taxes collected  
41 pursuant to chapter 204 of the general statutes. Any such assessment  
42 may be appealed pursuant to the provisions of section 12-111 of the  
43 general statutes.

44 (f) Any assessment collected pursuant to this section shall be  
45 deposited into a fund established by the municipality. Such fund shall  
46 be used solely for infrastructure improvements, the remediation of  
47 blight or the promotion of development in the area defined by the

48 municipality pursuant to subdivision (4) of subsection (b) of this section.  
49 The proceeds of such fund shall not be used for operating expenses of  
50 any kind or be considered a part of the municipal general fund.  
51 Expenditures from such fund shall be authorized in the same manner as  
52 any other capital expenditure of the municipality. Any income earned  
53 by any moneys on deposit in such fund shall accrue to the fund.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026, and applicable to assessment years commencing on or after October 1, 2026</i>	New section

**Statement of Legislative Commissioners:**

Subdiv. (a)(1) was rewritten for clarity; in Subdiv. (b)(2), "zoned" was changed to "located in a zone that allows", for accuracy; in Subdiv. (b)(4), "identified" was changed to "adopted", for accuracy, and "in which such assessment is applicable" was added for clarity; and in Subdiv. (c)(2), "or use" was added after "occupancy", for accuracy.

**PD**      *Joint Favorable Subst.*